

ADOPTION NOTICE

The undersigned KMC Telecom III, Inc.
(Name of Utility System)

of Bedminster, New Jersey hereby adopts, ratifies, and makes its own, in every respect as if same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing intrastate local exchange telecommunications
(Nature of Service)

service at all locations being serviced by incumbent local exchange carriers in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by KMC Telecom IV, Inc. of New Jersey and in effect
(Name of Predecessor)

on the 4th day of April, 2001, the date on which the public service business of the said KMC Telecom IV, Inc. was taken over by it.
(Name of Predecessor)

This notice is issued on the 3rd day of April, 2001, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

KMC Telecom III, Inc.

By: Patricia Breckenridge

Patricia Breckenridge
Executive Vice President
Business Development

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

Authorized by K.P.S.C. Order No. _____

P.S.C. NO. 2 (for KMC Telecom III, Inc.)

CANCELS P.S.C. NO. 2 (for KMC Telecom IV, Inc., due to intra-company
reorganization/name change)

KMC Telecom III, Inc.

of

Bedminster, New Jersey

Rates, Rules and Administrative Regulations for Furnishing

Intrastate Local Exchange Telecommunications Services

in

All areas being serviced by incumbent local exchange carriers
in the State of Kentucky

FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued April 3, 2001 Effective May 4, 2001

Issued by: KMC Telecom III, Inc.

By:

TRICIA BRECKENRIDGE

Patricia Breckenridge
Executive Vice President
Business Development

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO END-USER
TELECOMMUNICATIONS SERVICES WITHIN
THE STATE OF KENTUCKY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FEB 27 2002

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

Issued: February 25, 2002

Effective: February 27, 2002

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

TABLE OF CONTENTS

	<u>Section</u>	<u>Page</u>
TABLE OF CONTENTS	Preface	1
EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF	Preface	4
APPLICATION OF TARIFF	Preface	5
DEFINITIONS	1	
REGULATIONS	2	
2.1 Undertaking of the Company	2	1
2.2 Prohibited Uses	2	13
2.3 Obligations of the Customer	2	14
2.4 Customer Equipment and Channels	2	18
2.5 Payment Arrangements	2	21
2.6 Allowances for Interruptions in Service	2	28
2.7 Use of Customer's Service by Others	2	33
2.8 Cancellation of Service	2	34
2.9 Transfers and Assignments	2	35
2.10 Notices and Communications	2	36
2.11 Operator Services Rules	2	37
APPLICATION OF RATES	3	
3.1 Introduction	3	1
3.2 Charges Based on Duration of Use	3	1
3.3 Rates Based Upon Distance	3	2

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

TABLE OF CONTENTS

	<u>Section</u>	<u>Page</u>
SERVICE AREAS	4	
4.1 Exchange Access Service Areas (EASA)	4	1
4.2 Calling Areas	4	2
EXCHANGE ACCESS SERVICE	5	
5.1 General	5	1
5.2 Basic Line Service	5	2
5.3 Key Line Service	5	3
5.4 Basic Trunk Service	5	4
5.5 DID Trunk Service	5	5
5.6 Digital Trunk Service	5	6
5.7 ClearStar Advantage Service	5	7
5.8 Primary Rate Interface (PRI)	5	12
EXCHANGE ACCESS OPTIONAL FEATURES	6	
6.1 Directory Listings	6	1
6.2 Direct Inward Dial (DID) Service	6	2
6.3 Main Number Retention	6	3
6.4 Accounting Codes	6	4
6.5 Authorization Codes	6	5
6.6 Vanity Number Service	6	6
RESOLD LOCAL EXCHANGE SERVICE	7	
7.1 Description	7	1
7.2 Rates	7	1

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan D. Bue
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

TABLE OF CONTENTS

	<u>Section</u>	<u>Page</u>
LOCAL CALLING SERVICE	8	
8.1 Description	8	1
8.2 Rates	8	3
INTRALATA CALLING SERVICE	9	
9.1 Description	9	1
9.2 Time Periods	9	1
9.3 Rates	9	2
MISCELLANEOUS SERVICES	10	
10.1 Operator Services	10	1
10.2 Busy Line Verify & Line Interrupt Service	10	3
10.3 Service Implementation	10	5
10.4 Restoration of Service	10	5
10.5 Charges for Connecting & Changing Service	10	6
10.6 Custom Calling Service	10	7
10.7 Remote Call Forwarding	10	9
10.8 Flexible Call Forwarding	10	9
10.9 ClearTouch Services	10	10
SPECIAL ARRANGEMENTS	11	
11.1 Special Construction	11	1
11.2 Individual Case Basis (ICB) Arrangements	11	4
11.3 Temporary Promotional Programs	11	5
SPECIAL COMPANY BILL		
12.1 Sample Company Bill	12	1

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bell

SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

EXPLANATION OF SYMBOLS, REFERENCE
MARKS, AND ABBREVIATIONS OF TECHNICAL
TERMS USED IN THIS TARIFF

The following symbols shall be used in this tariff for the purpose indicated below:

- C To signify changed regulation.
- D To signify discontinued rate or regulation.
- I To signify increased rate.
- M To signify a move in the location of text.
- N To signify new rate or regulation.
- R To signify reduced rate.
- S To signify reissued matter.
- T To signify a change in text but no change in rate or regulation.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate end-user telecommunications services by KMC Telecom III, Inc., hereinafter referred to as the Company, to customers within the State of Kentucky.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

DEFINITIONS

Certain terms used generally throughout this tariff are defined below.

Abbreviated Dialing: Permits lines within a Customer's terminal group to place calls within the group using 1 to 7 digits.

Account Codes: Permits Centrex Stations and attendants to dial an account code number of up to eight digits. For use when placing calls over facilities arranged for Automatic Message Accounting (AMA) recording. The account or project number must be input prior to dialing the called number.

Advance Payment: Part or all of a payment required before the start of service.

Automatic Callback Calling: Allows Customers to request an automatic callback upon receiving a busy signal. Caller may signal for dial tone and dial a feature code or press a feature button to request automatic callback facilities.

Automatic Number Identification (ANI): Allows the automatic transmission of a caller's billing account telephone number to a local exchange company, interexchange carrier or a third party subscriber. The primary purpose of ANI is to allow for billing of toll calls.

Bit: The smallest unit of information in the binary system of notation.

Calling Name Delivery: Allows customers to view the name and telephone number associated with an incoming call before answering the phone.

Call Back/Camp On: Permits a station line encountering an all-trunk-busy condition the option of being notified when a trunk becomes idle.

Call Forwarding:

Call Forwarding Station: Allows calls directed to a station line to be routed to a user defined line inside or outside the customer's telephone system.

Call Forwarding System: Permits calls attempting to terminate to a busy station line to be re-directed to a predetermined line inside or outside the customer's telephone system.

Call Forwarding Remote: This optional feature allows a user to activate/deactivate the Call Forwarding - All Calls feature or change the forwarded to telephone number from a remote location.

Issued: April 3, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

PUBLIC SERVICE COMMISSION
OF KENTUCKY

Effective: May 4, 2001

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bue
SECRETARY OF THE COMMISSION

DEFINITIONS

Call Forwarding Busy: Allows incoming calls to a busy station to be routed to a preselected station line or attendant within the same system or outside the system. Intercom calls can be arranged to be forwarded to a number different from DID calls.

Call Forwarding Don't Answer: Allows incoming calls to be automatically routed to a preselected station line or attendant in the same system or outside the system, when the called station is not answered after a preset number of rings. Intercom calls can be arranged to be forwarded to a number different from DID calls.

Call Forwarding Variable Limited: When this feature is activated by a station line user or the attendant, incoming calls to the activated station line or attendant position will be automatically routed to any other selected station line, within the same Centrex system, or to the attendant position. The attendant may also activate this feature for a station line user.

Call Forwarding Variable Unlimited: The same as Call Forwarding Variable Limited except that incoming calls may be automatically routed to a telephone number outside the Centrex system or to station lines within the same Centrex system. The attendant may not activate this feature to a telephone number outside the Centrex system for a station line use. Calls forwarded outside the Centrex system are subject to the appropriate charges for local and toll messages.

Call Hold: Allows the user to hold one call for any length of time provided that neither party goes on-hook.

Call Park: Allows a station line to park a call against its own line number. The parked call can be retrieved from any station line by dialing a feature code and the line number against which the call is parked.

Call Pickup. Allows a station line to answer incoming calls to another station line within a defined call pickup group. Call pickup is provided on individual station lines within a customer group.

Call Transfer: Allows a station line user to transfer any established call to another station line inside or outside the customer group without the assistance of the attendant.

Call Waiting. Permits a line in the talking state to be alerted by a tone when another call is attempting to complete to the line. Audible ringing is returned to the originating line. The Service also provides a hold feature that is activated by a switchhook flash.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

Issued: April 3, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

PURSUANT TO 807 KAR 50.14
Effective: May 4, 2001
SECTION 9(1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

DEFINITIONS

Communication Services: The Company's intrastate toll and local exchange switched telephone services offered for both intraLATA and interLATA use.

Company or KMC: KMC Telecom III, Inc., the issuer of this tariff.

Conference: Allows customers to add additional parties to a call.

Customer or Subscriber: The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Dial Pulse (or "DP"): The pulse type employed by rotary dial station sets.

Dial 9 Access: Allows Customers to place calls outside their ClearStar Advantage system by dialing an access code (usually 9).

Direct Inward Dial (or "DID"): A service attribute that routes incoming calls directly to stations, by-passing a central answering point.

DID Trunk: A form of local switched access that provides the ability for an outside party to call an internal extension directly without the intervention of the company operator.

Direct Outward Dial (or "DOD"): A service attribute that allows individual station users to access and dial outside numbers directly.

Do Not Disturb: Permits the attendant to cut off a single station line and selected groups of station lines from receiving incoming and station-to-station calls.

DSX-1 Panel: Distribution equipment used to terminate and administer DS1 (1.544 Mbps) circuits.

Dual Tone Multi-Frequency (or "DTMF"): The pulse type employed by tone dial station sets.

Duplex Service: Service that provides for simultaneous transmission in both directions.

Fiber Optic Cable: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

Hunting: Routes a call to an idle station line in a prearranged group when the called station line is busy.

Issued: April 3, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

PUBLIC SERVICE COMMISSION
OF KENTUCKY

Effective: May 4, 2001

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

DEFINITIONS

In-Only: A service attribute that restricts outward dial access and routes incoming calls to a designated answer point.

Joint User: A person, firm or corporation that is designated by the Customer as a user of services furnished to the Customer by KMC and to whom a portion of the charges for the service will be billed under a joint user arrangement as specified herein.

Kbps: Kilobits per second, denotes thousands of bits per second.

Last Number Redial: Enables a station line user to redial the last called number by use of an access code rather than dialing the entire number.

LATA: A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No.4.

Local Exchange Carrier or ("LEC"): Denotes any individual, partnership, association, joint-stock company, trust or corporation engaged in providing switched communication within an exchange.

Manual Exclusion: Restricts others from retrieving a put on hold or from breaking into a call. Applicable to ISDN centrex type services. Ensures privacy is automatically invoked whenever a customer picks up the phone to place or answer a call.

Mbps: Megabits, denotes millions of bits per second.

Message Waiting Indication: Provides a lighted indicator (usually on a telephone set) that informs customer of a new message to be reviewed.

Multi-Frequency or ("MF"): An inter-machine pulse-type used for signaling between telephone switches, or between telephone switches and PBX/key systems.

Multi Site Abbreviated Dialing: Allows customers to use abbreviated dialing capabilities among multiple locations.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

Issued: April 3, 2001

BY: Steve R. Brown May 4, 2001
SECRETARY OF THE COMMISSION

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

DEFINITIONS

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, that continue for the agreed upon duration of the service.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service that does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

DEFINITIONS

Service Order: The written request for Network Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Shared: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Speed Calling: Permits a station line user to dial selected numbers by using fewer digits than normally required. This is accomplished through the assignment of abbreviated codes to frequently called numbers. The speed calling list is customer-changeable.

System: Allows shared use of speed calling list. A control station will add, change or delete telephone numbers from the list for the group.

Station: Allows a station line user to add, change or delete telephone numbers from a speed calling list. The list is dedicated to the individual station line user.

Three-Way Calling: Allows a station line user to add a third party to an existing conversation.

Two Way: A service attribute that includes outward dial capabilities for outbound calls and can also be used to carry inbound calls to a central point for further processing.

Uniform Call Distribution: Automatically distributes incoming calls, in the order of their arrival, to customer telephone lines that have been idle the longest.

User or End User: A Customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way information transmission between points within the State of Kentucky.

Customers and users may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own customers.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.2 Shortage of Equipment or Facilities

- (A) The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- (B) The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.3 Terms and Conditions

- (A) Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- (B) Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- (C) At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month-to-month basis at the then current rates unless terminated by either party upon 30 days' notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.
- (D) In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions (Cont'd)

- (E) Service may be terminated upon written notice to the Customer if:
 - (1) the Customer is using the service in violation of this tariff; or
 - (2) the Customer is using the service in violation of the law.
- (F) This tariff shall be interpreted and governed by the laws of the State of Kentucky regardless of its choice of laws provision.
- (G) BellSouth and its affiliated local telephone companies must not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.
- (H) To the extent that either the Company or any other telephone company exercises control over available cable pairs, conduit, duct space, raceways, or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other on terms equivalent to those under which the Company makes similar facilities under its control available to its customers. At the reasonable request of either party, the Company and the other telephone company shall join the attempt to obtain from the owner of the property access for the other party to serve a person or entity.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company

- (A) The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in 2.6. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.
- (B) The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; Insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- (C) The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for or with the services the Company offers.
- (D) The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- (E) The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnities and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section 2.1.4(E) as a condition precedent to such installations.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- (F) The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.
- (G) The Company shall be indemnified, defended and held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.
- (H) The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced after the expiration of the applicable statute of limitations.
- (I) THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities

- (A) The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- (B) The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- (C) The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- (D) Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which it was provided by the Company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities (Cont'd)

- (E) The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.
- (F) The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff; the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
 - (1) the transmission of signals by Customer-provided equipment or for the quality of; or defects in, such transmission; or
 - (2) the reception of signals by Customer-provided equipment.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.7 Non-Routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.8 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken:

- (A) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- (B) of a type other than that which the Company would normally utilize in the furnishing of its services;
- (C) over a route other than that which the Company would normally utilize in the furnishing of its services;
- (D) in a quantity greater than that which the Company would normally construct;
- (E) on an expedited basis;
- (F) on a temporary basis until permanent facilities are available;
- (G) involving abnormal costs; or
- (H) in advance of its normal construction.

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.2 Prohibited Uses

- (A) The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- (B) The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Kentucky Public Service Commission regulations, policies, orders, and decisions.
- (C) The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.
- (D) A customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

- (A) the payment of all applicable charges pursuant to this tariff;
- (B) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- (C) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS2.3 Obligations of the Customer (Cont'd)2.3.1 General (Cont'd)

- (D) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide Communication Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(C). Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;
- (E) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.3 Obligations of the Customer (Cont'd)

2.3.1 General (Cont'd)

- (F) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1(D); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- (G) not creating, or allowing to be placed, any liens or other encumbrances on the Company's equipment or facilities; and
- (H) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.3 Obligations of the Customer (Cont'd)2.3.2 Claims

With respect to any service or facility provided by the Company, Customers shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (A) any loss, destruction or damage to the property of the Company or any third party, or death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (B) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

2.3.3 Third Party Vendor Charges

For the avoidance of doubt and notwithstanding any other provision in this Tariff or other customer service agreement or arrangement, including but not limited to Meet Point Billing arrangements, in addition to service charges imposed by KMC for the Service, the Customer shall be responsible for and reimburse KMC for any and all charges, fees, assessments of any kind or nature, including but not limited to interstate and intrastate switched access charges, imposed by any third party (collectively "Third Party Charges") upon KMC relating to usage incurred by the Customer in connection with the Services. The Customer hereby indemnifies KMC for all Third Party Charges and agrees to defend and hold KMC harmless for all damages, losses, claims or judgments arising out of any Third Party Charges.

(N)

(N)

Issued: June 14, 2004

Issued By: James Mertz, Director of Government Affairs
KMC Telecom III LLC
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.2

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

07/14/2004
Effective: July 14, 2004

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

(T)

By



Executive Director

REGULATIONS2.4 Customer Equipment and Channels2.4.1 General

A User may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A User may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

- (A) Terminal equipment on the User's Premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company Point of Connection.
- (B) The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring, shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.4 Customer Equipment and Channels (Cont'd)

2.4.3 Interconnection of Facilities

- (A) Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communication Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- (B) Communication Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers that are applicable to such connections.
- (C) Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations.
- (D) Users may interconnect communications facilities that are used in whole or in part for interstate communications to services provided under this tariff only to the extent that the user is an "End User" as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1992 edition).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.4 Customer Equipment and Channels (Cont'd)2.4.4 Inspections

- (A) Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2(B) for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- (B) If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.5 Payment Arrangements2.5.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

(A) Taxes

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) (excluding taxes on Company's net income) imposed on or based upon the provision, sale or use of Network Services.

2.5.2 Billing and Collection of Charges

- (A) Non-recurring charges are due and payable from the customer within 30 days after the invoice date, unless otherwise agreed to in advance.
- (B) The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the invoice date. When billing is based on customer usage, charges will be billed monthly for the preceding billing periods.
- (C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.2 Billing and Collection of Charges (Cont'd)

- (D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- (E) If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds that are not immediately available, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by the lesser of the highest percentage allowable by the Kentucky Public Service Commission or a late factor of 1.5% per month. The late payment fee will not be applied to previous late payment charges that have been assessed but remain unpaid, but will apply to the accumulated amount for which the Customer is in arrears. This late fee may be assessed only once per bill for services rendered. Additional late fee penalty charges shall not be assessed on unpaid penalty charges.
- (F) The Customer will be assessed a charge consistent with applicable state law for each check submitted by the Customer to the Company that a financial institution refused to honor.
- (G) Customers have up to 90 days (commencing 5 days after remittance of the bill) to initiate a dispute over charges or to receive credits.
- (H) If service is disconnected by the Company in accordance with section 2.5.5 following and later restored, restoration of service will be subject to all applicable installation charges

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9(1)
Effective: May 4, 2001
BY: *Stephan Dwyer*
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.5 Payment Arrangements (Cont'd)

2.5.3 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to the non-recurring charge(s) and one month's charges for the service or facility. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.5 Payment Arrangements (Cont'd)

2.5.4 Deposits

- (A) To safeguard its interests, the Company may require a Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:
- (1) two month's charges for a service or facility that has a minimum payment period of one month; or
 - (2) the charges that would apply for the minimum payment period for a service or facility that has a minimum payment period of more than one month; except that the deposit may include an additional amount in the event that a termination charge is applicable.
- (B) A deposit may be required in addition to an advance payment.
- (C) When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account.
- (D) Deposits held will accrue interest at the current rate allowed by the Commission without deductions for any taxes on such deposits. Interest will not accrue on any deposit after the date on which reasonable effort has been made to return it to the Customer.
- (E) Deposits will be handled pursuant to the Commission's rules and regulations.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.5 Payment Arrangements (Cont'd)

2.5.5 Discontinuance of Service

- (A) Upon nonpayment of any amounts owing to the Company, the Company may, by giving 24 hours prior written notice to the Customer, discontinue or suspend service without incurring any liability.
- (B) Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- (C) Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS

2.5 Payment Arrangements (Cont'd)

2.5.5 Discontinuance of Service (Cont'd)

- (D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.
- (E) Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- (F) In the event of fraudulent use of the Company's network, the Company will discontinue service without notice and/or seek legal recourse to recover all costs involved in enforcement of this provision.
- (G) Upon the Company's discontinuance of service to the Customer under Section 2.5.5(A) or 2.5.5(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff; may declare all future monthly and other charges that would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.6 Cancellation of Application for Service

- (A) Applications for service cannot be canceled without the Company's agreement. Where the Company permits a Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- (B) Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs incurred by the Company, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service commenced (all discounted to present value at six percent).
- (C) Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred by the Company, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- (D) The special charges described in 2.5.6(A) through 2.5.6(C) will be calculated and applied on a case-by-case basis.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.7 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.6 Allowances for Interruptions in Service

Interruptions in service that are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

2.6.1 Credit for Interruptions

- (A) A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.
- (B) For calculating credit allowances, every month is considered to have 30 days. A credit allowance for fixed recurring fees only is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephen D. Bee
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.6 Allowances for Interruptions in Service (Cont'd)2.6.1 Credit for Interruptions (Cont'd)

- (C) A credit allowance will be given for interruptions of 30 minutes or more. Credit allowances shall be calculated as follows:

Interruptions of 24 Hours or Less

<u>Length of Interruption</u>	<u>Interruption Period To Be Credited</u>
Less than 30 minutes	None
30 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.6 Allowances for Interruptions in Service (Cont'd)

2.6.1 Credit for Interruptions (Cont'd)

(C) (Cont'd)

Over 24 Hours and Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

Interruptions Over 72 Hours. Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than 30 days' credit will be allowed for anyone month period.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

REGULATIONS2.6 Allowances for Interruptions in Service (Cont'd)2.6.2 Limitations on Allowances

No credit allowance will be made for:

- (A) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;
- (B) interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
- (C) interruptions due to the failure or malfunction of non-Company equipment;
- (D) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (E) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- (F) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; and
- (G) interruption of service due to circumstances or causes beyond the control of Company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.6 Allowances for Interruptions in Service (Cont'd)

2.6.3 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit that has been subject to the outage or cumulative service credits.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS2.7 Use of Customer's Service by Others2.7.1 Resale and Sharing

Any service provided under this tariff may be resold to or shared with other persons at the option of the Customer, subject to compliance with any applicable laws or Kentucky Public Service Commission regulations governing such resale or sharing. The Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this tariff; for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.7.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the designated Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS2.8 Cancellation of Service

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in Section 2.6.1 above), the Customer agrees to pay to the Company termination liability charges, as defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period, set forth in Section 2.5.2.

The Customer's termination liability for cancellation of service shall be equal to:

- (A) all unpaid Non-Recurring charges reasonably expended by the Company to establish service to the Customer; plus
- (B) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer; plus
- (C) all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation; minus
- (D) a reasonable allowance for costs avoided by the Company as a direct result of the Customer's cancellation.
- (E) the difference between a Customer's term rates and the month-to-month rates times the actual length of service.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.9 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties:

- (A) to any subsidiary, parent company or affiliate of the Company; or
- (B) pursuant to any sale or transfer of substantially all the assets of the Company; or
- (C) pursuant to any financing, merger or reorganization of the Company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.10 Notices and Communications

- (A) The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- (B) The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- (C) All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- (D) The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATIONS

2.11 Operator Services Rules

(A) The Company will enforce the following operator service rules.

A provider of intrastate operator assisted communications services must:

- (1) identify itself at the time the end-user accesses its services;
- (2) upon request, quote all rates and charges for its services to the end-user accessing its system;
- (3) arrange to have posted in plain view at each telephone location which automatically accesses the operator service provider's network and where its services are made available to the public or transient end-users:
 - (a) the operator service provider's name and address;
 - (b) bill and service dispute calling information including the operator service provider's dispute resolution phone number;
 - (c) clear and specific instructions informing the end-user how to access a local exchange telephone company operator as an alternative available to the end-user; and
 - (d) notice concerning any and all amounts to be billed by the operator services provider on behalf of any host location or third party that will appear on the operator service provider's bill for services rendered.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9(1)
BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

REGULATION S

2.11 Operator Services Rules (Cont'd)

(A) (Cont'd)

- (4) in instances when the provider is unable to complete the call and it requires transfer to another telephone corporation that may affect the rates and charges applicable to the telephone bill, inform the caller of the transfer and its possible effect on the applicable rates and charges, before any charges are incurred; and
- (5) in the case of such transfer, the telephone corporation or provider to which the call is transferred shall identify itself and inform the caller of the transfer's effect on the applicable rates and charges, before any charges are incurred.

(B) The Company will comply with the following provisions:

- (1) Providers of intrastate operator assisted communications services shall not take any action or enter into any arrangement that restricts end-user selection among competing interexchange telephone corporations or end-users access to competing providers of intrastate operator assisted communications services, or pay any commissions or other compensation to any entity engaged in such action or arrangement.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

APPLICATION OF RATES3.1 Introduction

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff.

3.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- (A) Calls are measured in durational increments identified for each service. All calls that are fractions of a measurement increment are rounded-up to the next whole unit.
- (B) Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person-to-person calls start with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.
- (C) Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.
- (D) Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- (E) All times refer to local time.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

APPLICATION OF RATES

3.3 Rates Based Upon Distance

Where charges for a service are specified based upon distance, the following rules:

- (A) Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of geographic coordinates, as referenced in the Local Exchange Routing Guide issued by Bellcore, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated 800 or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

APPLICATION OF RATES3.3 Rates Based Upon Distance (Cont'd)

(B) The airline distance between any two rate centers is determined as follows:

- (1) Obtain the "V" (vertical) and "H" (horizontal) coordinates for each rate center from the Bellcore Local Exchange Routing guide referenced in Section 3.3(A).
- (2) Compute the difference between the "V" coordinates of the two rate centers; and the difference between the two "H" coordinates.
- (3) Square each difference obtained in step (2) above.
- (4) Add the square of the "V" difference and the square of the "H" difference obtained in step (3) above.
- (5) Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.
- (6) Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.
- (7) FORMULA =

$$\sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

SERVICE AREAS4.1 Exchange Access Service Areas

Exchange Access Service Areas (EASA) are provided (pursuant to Section 5.1) in limited geographic areas. Exchange Access Services bearing the following NPA-NXX designations are provided in the following areas:

NPA-NXXGeographic Areas In Which
Full Service Is Available¹

Exchange Access NPA-NXXs And Boundaries Are To Be Determined.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bue
SECRETARY OF THE COMMISSION

¹ Full service versions of the Company's Exchange Access Services will be provided to Customers at Customer premises located in these areas pursuant to this tariff to the extent that: (a) the Company has in place and available network facilities extending to such premises; or (b) the Customer's premises is served by the Company 5 wire center at which the Company maintains a collocation arrangement and is able to reasonably employ such arrangement to interconnect to unbundled exchange link facilities that the Company, in its sole discretion, judges to be of a type, grade, technical specification, quality and quantity sufficient to, and offered under conditions consistent with, the delivery of such services.

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

SERVICE AREAS

4.2 Calling Areas

Geographically-defined Local Calling Areas² are associated with each Exchange Access Service provided pursuant to Section 5.1. Exchange Access Services bearing the following NPA-NXX designations shall have the following Local and IntraLATA Calling Areas:

NPA-NXX

Local Calling Area Or IntraLATA Calling Area

Local Calling Areas and IntraLATA Calling Areas Are To Be Determined.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephen O. Bell
SECRETARY OF THE COMMISSION

² Rates and rate plans for Local and IntraLATA Calling Area calls placed over Company-provided Exchange Access Services are set forth in Section 8.

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS SERVICE5.1 General

Exchange Access Service provides a Customer with a telephonic connection to, and a unique telephone number address on the public switched telecommunications network. Each Exchange Access Service enables users to:

- (A) receive calls from other stations on the public switched telecommunications network;
- (B) access other services offered by the Company as set forth in this tariff;
- (C) access certain interstate and international calling services provided by the Company;
- (D) access (at no additional charge) the Company's operators and business office for service related assistance;
- (E) access (at no additional charge) emergency services by dialing 0- or 9-1 - 1; and
- (F) access services provided by other common carriers that purchase the Company's Switched Access services as provided under the Company's Federal and State tariffs, or that maintain other types of traffic exchange arrangements with the Company.

Each Exchange Access Service is available on a "Full" service basis, whereby service is delivered to a demarcation/connection block at the customer's premises.

The following Exchange Access Services are offered:

Basic Line Service
Key Line Service
Basic Trunk Service
DID Trunk Service
Digital Trunk Service
ClearStar™ Advantage Service
Primary Rate Interface (PRI)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS SERVICE5.2 Basic Line Service

Basic Line Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Basic Lines are provided for connection of Customer-provided single station sets or facsimile machines to the public switched telecommunications network. Each Basic Line may be configured into a hunt group with other Company-provided Basic Lines. Each Basic Line is provided with the following standard features which are set forth in Section 10.6 and 10.9 of the tariff.

Non-recurring and monthly recurring rates per Basic Line apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
<u>On-Net Services</u>		
Basic Local		
Exchange Service		
<u>Flat Rate Service</u>		
-1 st Line		RESERVED FOR FUTURE USE
-Each Addt'l Line		RESERVED FOR FUTURE USE
<u>Measured Rate Service</u>		
-1 st Line		RESERVED FOR FUTURE USE
-Each Addt'l Line		RESERVED FOR FUTURE USE
Expanded Local		
Exchange Service		
<u>Flat Rate Service</u>		
-1 st Line		RESERVED FOR FUTURE USE
-Each Addt'l Line		RESERVED FOR FUTURE USE
<u>Measured Rate Service</u>		
-1 st Line		RESERVED FOR FUTURE USE
-Each Addt'l Line		RESERVED FOR FUTURE USE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Belf
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

EXCHANGE ACCESS SERVICE5.3 Key Line Service

Key Line Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Key Lines are provided for connection of Customer-provided key systems to the public switched telecommunications network. Each Key Line is provided with the following standard features which are set forth in Section 10.6 and 10.9 of the tariff.

Non-recurring and monthly recurring rates per Key Line apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
<u>On-Net Services</u>		
Basic Local		
Exchange Service		
<u>Flat Rate Service</u>		
-1 st Line		RESERVED FOR FUTURE USE
-Each Addt'l Line		RESERVED FOR FUTURE USE
<u>Measured Rate Service</u>		
-1 st Line		RESERVED FOR FUTURE USE
-Each Addt'l Line		RESERVED FOR FUTURE USE
Expanded Local		
Exchange Service		
<u>Flat Rate Service</u>		
-1 st Line		RESERVED FOR FUTURE USE
-Each Addt'l Line		RESERVED FOR FUTURE USE
<u>Measured Rate Service</u>		
-1 st Line		RESERVED FOR FUTURE USE
-Each Addt'l Line		RESERVED FOR FUTURE USE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

EXCHANGE ACCESS SERVICE5.4 Basic Trunk Service

Basic Trunk Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Basic Trunks are provided for connection of Customer-provided private branch exchanges (PBX) to the public switched telecommunications network. Each Basic Trunk is provided with touch tone signalling and may be configured into a hunt group with other Company-provided Basic Trunks.

Basic Trunks may be equipped with Analog Direct Inward Dial (DID) capability and DID number blocks for additional charges, as set forth in Sections 5.5, 5.6 and 6.2.

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
<u>On-Net Services</u>		
Basic Local		
Exchange Service		
<u>Flat Rate Service</u>		
-1 st PBX Trunk		RESERVED FOR FUTURE USE
-Each Addt'l PBX Trunk		RESERVED FOR FUTURE USE
<u>Measured Rate Service</u>		
-1 st PBX Trunk		RESERVED FOR FUTURE USE
-Each Addt'l PBX Trunk		RESERVED FOR FUTURE USE
Expanded Local		
Exchange Service		
<u>Flat Rate Service</u>		
-1 st PBX Trunk		RESERVED FOR FUTURE USE
-Each Addt'l PBX Trunk		RESERVED FOR FUTURE USE
<u>Measured Rate Service</u>		
-1 st PBX Trunk		RESERVED FOR FUTURE USE
-Each Addt'l PBX Trunk		RESERVED FOR FUTURE USE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

EXCHANGE ACCESS SERVICE5.5 DID Trunk Service

DID Trunk Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to receive incoming calls one call at a time. DID Trunk Service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID number blocks as set forth in Section 6.2 apply in addition to the DID Trunk charges listed below.

Non-recurring and monthly recurring rates per DID Trunk, apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
<u>On-Net Services</u>		
Basic Local		
Exchange Service		
-Each Trunk		
w/block		
	RESERVED FOR FUTURE USE	RESERVED FOR FUTURE USE
	RESERVED FOR FUTURE USE	RESERVED FOR FUTURE USE
<u>Expanded Local</u>		
Exchange Service		
-Each Trunk		
w/block of 100#'s		
	RESERVED FOR FUTURE USE	RESERVED FOR FUTURE USE
	RESERVED FOR FUTURE USE	RESERVED FOR FUTURE USE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephen D. Burr
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS SERVICE5.6 Digital Trunk Service

Digital Trunk Service provides a Customer with a digital connection operating at 1.544 Mbps that is time division multiplexed into 24 individual voice-grade telephonic communications channels, each of which can be used to place or receive one call at a time. Digital Trunks are provided for connection of compatible Customer-provided private branch exchanges (PBX) to the public switched telecommunications network. Each Digital Trunk is provided with dual tone multi-frequency (DTMF) or multi-frequency (MF) signaling, as specified by the Customer. Digital Trunks may be configured into hunt groups with other Company-provided Digital Trunks. The terminal interface for each Digital Trunk Service is a DSX-1 panel.

Non-recurring and monthly recurring rates per Digital Trunk per point, apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Per Trunk	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

EXCHANGE ACCESS SERVICE5.7 ClearStar™ Advantage Service

ClearStar Advantage is a centrex-based service that provides the customer with multiple individual voice-grade telephone communications channels, each of which can be used to place or receive one call at a time. ClearStar Advantage lines are provided for the connection of compatible, customer provided terminal equipment to the public switched telecommunications network. Centrex features associated with ClearStar Advantage service are described in Section 1 of this tariff. ClearStar Advantage is provided with a minimum of two network lines. Each line can be provided in combination with other Company-provided services. ClearStar Advantage services are offered in either an analog-based or digital, Basic Rate ISDN-based (Integrated Services Digital Network) serving arrangement.

5.7.1 Analog Serving Arrangements

ClearStar Advantage service can be provided to customers over analog-grade network facilities. Network features provided with these serving arrangements include:

Abbreviated Dialing
Automatic Callback Calling
Call Forwarding
Call Hold
Call Pick-Up
Call Transfer
Call Waiting
Dial 9 Access
Hunting
Speed Calling
Touch-tone

* Some features may not be available in all locations.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS SERVICE

5.7 ClearStar™ Advantage Service (Cont'd)

5.7.2 ISDN-Based Serving Arrangements

ClearStar Advantage service can be provided to customers over a Basic Rate ISDN (Integrated Services Digital Network) interface. Network features provided with this serving arrangement include:

Automatic Callback Calling
Call Forwarding
Call Hold
Call Pickup
Call Transfer
Call Waiting
Conference
Dial 9 Access
Hunting
Manual Exclusion
Message Waiting Indication
Speed Calling
Touchtone

* Some features may not be available in all locations.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS SERVICE5.7 ClearStar Advantage Service (Cont'd)5.7.3 System and Access Line Charges

ClearStar Advantage access lines are charged on a monthly recurring basis. Non-recurring charges are applicable for initial installation of a ClearStar Advantage system. KMC, at its' discretion, may bundle ClearStar Advantage network services with other services and capabilities; the result of this bundling will be new service offerings with unique pricing structures.

	Non-Recurring (per system)	Mo. Recurring (per flat rate line)	Mo. Recurring (measured rate line)
Analog Arrangements			
- ClearStar Advantage			
1000			
		RESERVED FOR FUTURE USE	
- ClearStar Advantage			
2000			
		RESERVED FOR FUTURE USE	
ISDN Arrangements			
- ClearStar Advantage			
Plus			
		RESERVED FOR FUTURE USE	

Non-Recurring Line Connection and Line Charges located in Section 10.5 also apply to each new subsequent ClearStar Advantage order.

5.7.4 Usage Charges(A) Local Service Rates

Refer to the Rate Schedule located in Section 8.

(B) IntraLATA Rates

Refer to the Rate Schedule located in Section 9.3.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS SERVICE5.7 ClearStar Advantage Service (Cont'd)5.7.5 Optional Features

The following optional features are in addition to the standard features located in Section 5.7.1 and 5.7.2. The following optional features may be added to ClearStar Advantage analog or ISDN-based serving arrangements. These rates are applied on a non-recurring and monthly recurring basis.

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Calling Name Delivery (per line)	RESERVED FOR FUTURE USE	
6 Way Conference (per arrangement)	RESERVED FOR FUTURE USE	
Multi-Site Abbreviated Dialing	RESERVED FOR FUTURE USE	
Uniform Call Distribution (per group -20 lines max)	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

EXCHANGE ACCESS SERVICE5.7 ClearStar Advantage Service (Cont'd)5.7.5 Optional Features (Cont'd)

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Number Retention -Per Number	RESERVED FOR FUTURE USE	
Order Processing Charge -Per Order	RESERVED FOR FUTURE USE	
Additional Directory Listing -Per Listing	RESERVED FOR FUTURE USE	
Remote Call Forwarding -Per Path	RESERVED FOR FUTURE USE	
Account Codes -Per Line	RESERVED FOR FUTURE USE	
Service Establishment Charge -Per Order	RESERVED FOR FUTURE USE	
Vanity Number -Per Number	RESERVED FOR FUTURE USE	
Vanity Number Retention -Per Number	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS SERVICE5.8 Primary Rate Interface (PM)

Primary Rate Interface Service (PM) provides an ISDN based, DSI access to the telecommunications network and includes the flexibility of integration of multiple voice and/or data transmission channels on the same line. The service will provide connectivity between ISDN compatible CPE and a serving central office. The basic channel structure for PM Service is twenty-three 64 Kbps B-Channels and one 64 Kbps D-Channel. The customer has the option to activate up to 23 B-Channels on the first PM Service arrangement and up to 24 channels on additional PM Service arrangements. A Digital Data Only option and an Inward Data Option are also available. The 23 B-Channels can be used to connect the customer's CPE to the Public Circuit Switched Network, e.g., outward, inward and 2-way network access. Calling Number Delivery, Called Number Delivery, and Hunting functionality are inherent to this service. Telephone numbers for use on PM Service are available. One Primary Directory Listing will be furnished at no charge for each PM service B-Channel. Additional listings can be obtained. PM Service provides capability for the transmission of digital signals only. Clear Channel Capability and Extended Superframe Format are inherent to the service.

Non-recurring and monthly rates per PRI Service apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
<u>12 Months</u>	RESERVED FOR FUTURE USE	
Base System		
Voice/Data, per channel		
Digital Data, per channel		
Inward Data, per channel		
<u>24 Months</u>	RESERVED FOR FUTURE USE	
Base System		
Voice/Data, per channel		
Digital Data, per channel		
Inward Data, per channel		
<u>36 Months</u>	RESERVED FOR FUTURE USE	
Base System		
Voice/Data, per channel		
Digital Data, per channel		
Inward Data, per channel		

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION
Effective: May 4, 2001

Issued: April 3, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

EXCHANGE ACCESS OPTIONAL FEATURES6.1 Directory Listings

For each Customer of Company-provided Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number³ in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at the following rates:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Each Additional Listing:	N/A	RESERVED FOR FUTURE USE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

³ For Customers with multiple premises served by the Company, the Company will arrange for a listing of the main billing telephone number at each premise.

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS OPTIONAL FEATURES6.2 Direct Inward Dial (DID) Service

DID service is an optional feature which can be purchased in conjunction with Company-provided Basic Trunks or Digital Trunks. DID service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID capability and DID number blocks apply in addition to charges specified for Basic Trunks or Digital Trunks in Sections 5.2, 5.4 and 5.6, respectively.

One DID Additive charge applies for each DID-equipped Basic Trunk or DID-equipped channel on a Digital Trunk. The Customer is required to purchase at least one DID number block for each DID-equipped trunk or trunk group, or DID-equipped channel or channel group.⁴ The assignment of telephone numbers and the sequence of the numbers assigned to a DID service is made at the discretion of the Company.

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
DID Trunk Termination	RESERVED FOR FUTURE USE	
-Block of 100 DID Numbers	RESERVED FOR FUTURE USE	
-Addt'l Block of 100 DID Numbers	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bue
SECRETARY OF THE COMMISSION

⁴ A "group" is a set of Basic Trunks or Digital Trunk channels which have been configured into a hunt group.

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS OPTIONAL FEATURES6.3 Main Number Retention6.3.1 Description

Main Number Retention is an optional feature by which a new Customer, who was formally a customer of another certificated local exchange carrier at the same premises location, may retain its main telephone numbers and main fax numbers for use with the Company-provided Exchange Access Services. Main Number Retention service is only available in areas where the Company maintains some form of number retention arrangement with the Customer's former local exchange carrier.

Monthly recurring and non-recurring charges apply per retained number. Rates for retained numbers may vary from area to area.

6.3.2 Rates

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
per retained number	RESERVED FOR FUTURE USE	
per retained vanity number	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS OPTIONAL FEATURES6.4 Accounting Codes

Accounting Codes provide customers with a means of restricting calls or itemizing calls, according to specific digits that must be dialed at the end of a long distance telephone number. The length of Accounting Codes may vary from 2 to 6 digits, however, the length must be consistent for each customer location.

Offered are packages of codes that are verified against a specific list of valid numbers, for call restriction, or unverified packages of 2-6 digits in length for cataloging by code the calls made.

<u>Charge Per</u> <u>Customer Location</u>	<u>Monthly</u> <u>Recurring</u>	<u>Non-</u> <u>Recurring</u>
Verified Packages	RESERVED FOR FUTURE USE	
Unverified Packages	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

EXCHANGE ACCESS OPTIONAL FEATURES6.5 Authorization Codes

This option restricts calls from being made unless the correct accounting code is entered. Only customer specified codes will be accepted. The customer then may use these codes to track calling for cost analysis and bill-back purposes.

Non-RecurringMonthly Recurring

Per Authorization Code

RESERVED FOR FUTURE USEPUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

EXCHANGE ACCESS OPTIONAL FEATURES6.6 Vanity Number Service6.6.1 Description

Vanity Number Service is an optional feature by which a new Customer may request a specific or unique telephone number and fax number for use with the Company provided Exchange Access Services. This service provides for the assignment of a customer requested telephone number other than the next available number from the assignment control list.

Vanity Number Service is furnished subject to the availability of facilities and the requirements of Exchange Access Service as defined by the Company. The Company reserves all rights to the Vanity Numbers assigned to customers and may, therefore, change them if required.

Monthly recurring charges apply per Vanity Number.

6.6.2 Rates

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Per Vanity Number	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

RESOLD LOCAL EXCHANGE SERVICE7.1 Description

Resold Local Exchange Service is composed of the resale of exchange access lines and local calling provided by other certificated Local Exchange Carriers, in combination with Company-provided usage services, miscellaneous services or interstate/international services.

7.2 Rates

The following maximum rates apply for Resold Local Exchange Services:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
<u>Resold Basic Lines</u> ⁵		
(1) <u>Flat Rate Service</u>		
1st Line	RESERVED FOR FUTURE USE	
Each Addtl Line	RESERVED FOR FUTURE USE	
(2) <u>Measured Service</u>		
1st Line	RESERVED FOR FUTURE USE	
Each Addtl Line	RESERVED FOR FUTURE USE	
<u>Resold Basic Trunks</u> ⁵		
(1) <u>Flat Rate Service</u>		
1st Trunk	RESERVED FOR FUTURE USE	
Each Addtl Trunk	RESERVED FOR FUTURE USE	
(2) <u>Measured Service</u>		
1st Trunk	RESERVED FOR FUTURE USE	
Each Addtl Trunk	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

⁵ Includes Hunting

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

RESOLD LOCAL EXCHANGE SERVICE7.2 Rates (Cont'd)Non-RecurringMonthly RecurringResold Direct Inward Dial (DID) ServiceDID Trunk Termination:

DID Trunk Termination, each Inward
Only Trunk
-Dial-Pulse Signaling
-MF Signaling
-DTMF Signaling
1st Trunk
Addtl Trunk

RESERVED FOR FUTURE USE
RESERVED FOR FUTURE USE
RESERVED FOR FUTURE USE
RESERVED FOR FUTURE USE

DID Station Numbers:

1st Block of 100 DID Station Numbers
Addtl Block of 100 DID Station Numbers

RESERVED FOR FUTURE USE
RESERVED FOR FUTURE USE

Optional Features:

Automatic Intercept Service, per number
referred

RESERVED FOR FUTURE USE

Resold Local UsageFlat Rate Calling

RESERVED FOR FUTURE USE

Measured Rate Calling

<u>Peak</u>	<u>1st Min</u>	<u>Addtl Min</u>
Intra-wire Center	RESERVED FOR FUTURE USE	
All Other Local Calls	RESERVED FOR FUTURE USE	
<u>Off-Peak</u>	<u>1st Min</u>	<u>Addtl Min</u>
Intra-wire Center	RESERVED FOR FUTURE USE	
All Other Local Calls	RESERVED FOR FUTURE USE	

The following rates for Local Exchange Resold Services are set forth in Section 8 and Section 10 of the tariff.

Resold features associated with Resold Local Exchange Service will be priced according to the rates established for such features in the underlying carrier's effective intrastate tariffs.

PUBLIC SERVICE COMMISSION
OF KENTUCKY

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MAY 04 2001

DC01/ODENM/142724.1

PURSUANT TO 807 KAR 5011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

LOCAL CALLING SERVICE8.1 Description

Local Calling Service provides a Customer with the ability to originate calls from a Company-provided access line to all other stations on the public switched telephone network⁶ bearing the designation of any central office exchanges, areas, and zones included in the Customer's local calling area.

8.1.1 Basic Local Exchange Service - This calling service allows the Customer unlimited access to all other stations on the public switched telephone network within the customer's Basic Local Calling Area.⁷ All calls to destinations outside the Basic Local Calling Area but within the same state and LATA will be charged the IntraLATA rates as specified in Section 9.3 following.

8.1.2 Expanded Local Exchange Service - This calling service allows the Customer limited access to all other stations on the public switched telephone network within the Customer's Basic Local Calling Area. Additional calls to the Basic Local Calling Area will be charged as specified in Section 8.2.1(A) following. All calls to the Expanded Local Calling Area⁷ will be charged a per call setup and per minute access charge as specified in Section 8.2.1(B) following. All calls to destinations outside the Expanded Local Calling Area but within the same state and LATA will be charged the IntraLATA rates as specified in Section 9.3 following.

⁶ Except calls to other telephone companies' caller paid information services (e.g. NPA 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by the Company's centralized switching facility.

⁷ As specified in BellSouth's tariff in effect and as amended from time-to-time.

Issued: April 3, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

PUBLIC SERVICE COMMISSION
OF KENTUCKY
Effective May 4, 2001

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bue
SECRETARY OF THE COMMISSION

LOCAL CALLING SERVICE8.1 Description (Cont'd)8.1.2 Expanded Local Exchange Service (Cont'd)(A) Time Periods

Day and Night(Weekend rates apply as follows:

<u>Rates</u>	<u>From</u>	<u>To (but not including)</u>	<u>Days Applicable</u>
Day	9:00 A.M.	9:00 P.M.	Mon. - Fri.
Night(Weekend	All other days, times, and holidays.		

Holidays include New Year's Day (January 1), Independence Day (July 4), Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November), and Christmas Day (December 25).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

LOCAL CALLING SERVICE8.2 Rates

The rates set forth in this section apply to all direct dialed local calls. For operator-assisted local calls, the operator charges listed in Section 0.1.3 apply in addition to the charges listed below.

8.2.1 Usage Charges - Per minute charges apply for each call. Timing is in whole minute increments, with a minimum charge of one minute per call.

(A) Monthly Message Allowance

<u>Type of Service</u>	<u>Basic Calling Area</u>	<u>Extended Calling Area</u>
Basic Local Exchange Service	TBD	TBD ⁸
Expanded Local Exchange Service	TBD	TBD

*Additional message charge of \$X.XX for each message over monthly allowance.

(B) Expanded Calling Area - The following usage charges apply to points in the Customer's Expanded Calling Area.

<u>MILEAGE</u>	<u>SETUP PER CALL</u>	<u>PEAK</u>	<u>OFF-PEAK</u>
RESERVED FOR FUTURE USE			

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bess
SECRETARY OF THE COMMISSION

⁸ Customers of Basic Local Exchange Service are billed intraLATA rates for calls to destinations within the state and LATA but outside the Basic Local Calling Area.

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

INTRALATA CALLING SERVICE9.1 Description

IntraLATA calling service provides a Customer with the ability to originate calls from a Company-provided access line to all other stations on the public switched telephone network⁹ bearing the designation of any central office exchanges, areas, and zones outside of the Customer's Basic Calling Area but within the same state and LATA.

9.2 Time Periods

Day, Evening and Night(Weekend rate periods are shown below. On holidays, Evening rates will apply unless a lower rate will normally apply.

To (but Days Discount

<u>Rates</u>	<u>From</u>	<u>not including)</u>	<u>Applicable</u>	<u>Applicable</u>
Day	8:00 A.M.	12:00 P.M.	Mon. - Fri.	0%
	1:00 P.M.	5:00 PM.	Mon. - Fri.	0%
Evening	5:00 P.M.	11:00 P.M.	Mon. - Fri.	25%
Night				
Weekend	All other times			50%

Holidays include New Year's Day (January 1), Independence Day (July 4), Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November), and Christmas Day (December 25).

⁹ Except calls to other telephone companies caller paid information services (e.g. NPA 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by the Company's centralized switching facility.

PUBLIC SERVICE COMMISSION
OF KENTUCKY

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MAY 04 2001

DC01/ODENM/142724.1

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan B. B...
SECRETARY OF THE COMMISSION

INTRALATA CALLING SERVICE

9.3 Rates

MILEAGE FIRST MINUTE ADDITIONAL MINUTE
RESERVED FOR FUTURE USE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MISCELLANEOUS SERVICES10.1 Operator Services10.1.1 Description

Operator Handled Calling Services are provided to Customers and Users of Company-provided Exchange Access Services, and to Customers and Users of exchange access lines.

10.1.2 Definitions

Person--Person: Calls completed with the assistance of a Company operator to a particular person, station, department, or PBX extension specified by the calling party. Charges may be billed to the Customer's commercial credit card and/or LEC calling card, calling station, called station, or a designated third-party station. Calls may be dialed with or without the assistance of a Company operator.

Station-to-Station: Refers to calls other than person-to-person calls billed to either the end user 5 commercial credit card and/or nonproprietary calling card. Calls may be dialed with or without the assistance of a Company operator. Collect calls to coin telephones and transfers of charges to third telephones which are coin telephones will not be accepted.

Operator Dialed Charge: The end user places the call without dialing the destination number, although the capability to do it himself exists. The end user will dial "0" for local calls and "00" for long distance calls and then request the operator to dial the called station.

Billed to Non-Proprietary Calling Card: Refers to calls that are dialed by the customer in accordance with standard dialing instructions and billed to a non-proprietary calling card issued by another carrier.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MISCELLANEOUS SERVICES10.1 Operator Services (Cont'd)10.1.3 Rates

Local exchange and IntraLATA calls may be placed on an Operator Assisted basis. Usage charges for Operator Assisted calls are the same as those set forth in Sections 8 and 9, preceding. In no event will the maximum rate for Operator Assisted calls exceed the maximum AT&T rate on file for such services. For Operator Assisted calls to Busy Line Verification and Interrupt, or Directory Assistance, the surcharges specified in Section 10.2.3 and Section 10.1.3 will apply in addition to any applicable Operator charges.

In addition to the usage charges identified above, the following operator-assisted charges will apply:

<u>Per Call Charges</u>	<u>IntraLATA</u>	<u>InterLATA</u>
Person-to-Person (Operator Assisted)	RESERVED FOR FUTURE USE	
Station-to-Station (Operator Assisted)	RESERVED FOR FUTURE USE	
Collect	RESERVED FOR FUTURE USE	
Sent Paid	RESERVED FOR FUTURE USE	
Billed to Third Number	RESERVED FOR FUTURE USE	
Operator Dialed Charge (applies in addition to other operator charges)	RESERVED FOR FUTURE USE	
Billed to Non-Proprietary Calling Card (additional surcharge)	RESERVED FOR FUTURE USE	
Directory Assistance	RESERVED FOR FUTURE USE	
Directory Assistance Call Completion	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MISCELLANEOUS SERVICES

10.2 Busy Line Verify and Line Interrupt Service

10.2.1 Description

Upon request of a calling party the Company will verify a busy condition on a called line.

- (A) The operator will determine if the line is clear or in use and report to the calling party.
- (B) The operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption.

10.2.2 Regulations

- (A) A charge will apply when:
 - (1) The operator verifies that the line is busy with a call in progress.
 - (2) The operator verifies that the line is available for incoming calls.
 - (3) The operator verifies that the called number is busy with a call in progress and the customer requests interruption. The operator will then interrupt the call, advising the called party the name of the calling party. One charge will apply for both verification and interruption.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MISCELLANEOUS SERVICES

10.2 Busy Line Verify and Line Interrupt Service (Cont'd)

10.2.2 Regulations (Cont'd)

- (B) No charge will apply:
- (1) When the calling party advises that the call is to or from an official public emergency agency.
 - (2) Under conditions other than those specified in 10.2.2(A) preceding.
- (C) Busy Verification and Interrupt Service is furnished where and to the extent that facilities permit.
- (D) The Customer shall identify and hold the Company harmless against all claims that may arise from either party to the interrupted call or any person.

10.2.3 Rates

Busy Line Verify Service
(each request)

RESERVED FOR FUTURE USE

Busy Line Verify and Busy Line
Interrupt Service (each request)

RESERVED FOR FUTURE USE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MISCELLANEOUS SERVICES10.3 Service Implementation10.3.1 Description

Absent a promotional offering, service implementation charges will apply to new service orders or to orders to change existing service.

10.3.2 Rates

	Resold <u>Non-Recurring</u>	On-Net <u>Non-Recurring</u>
per service order	\$84.00	RESERVED FOR FUTURE USE

10.4 Restoration of Service10.4.1 Description

A restoration charge applies to the re-establishment of service and facilities suspended because of nonpayment of bills and is payable at the time that the re-establishment of the service and facilities suspended is arranged for. The restoration charge does not apply when, after disconnection of service, service is later re-established.

10.4.2 Rates

	Resold <u>Non-Recurring</u>	On-Net <u>Non-Recurring</u>
per occasion	\$84.00	RESERVED FOR FUTURE USE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MISCELLANEOUS SERVICES10.5 Charges for Connecting or Changing Service

	Resold	On-Net
	<u>Non-Recurring</u>	<u>Non-Recurring</u>

Line Connection Charge

Applies per exchange access line or trunk,

First Line	RESERVED FOR FUTURE USE
Additional Line (each)	RESERVED FOR FUTURE USE

Line Change Charge

Applies per exchange access line or trunk

First Line	RESERVED FOR FUTURE USE
Additional Line (each)	RESERVED FOR FUTURE USE

Secondary Service Charge

Applies per customer request

Each	RESERVED FOR FUTURE USE
------	--------------------------------

Premises Work Charge

First 15-minute increment or fraction thereof

Per increment	RESERVED FOR FUTURE USE
---------------	--------------------------------

Each Additional 15-minute increment or fraction thereof

Per increment	RESERVED FOR FUTURE USE
---------------	--------------------------------

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 8 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

MISCELLANEOUS SERVICES10.6 Custom Calling Service10.6.1 Resold Rates

Business/Business PBX

Individual Features:

Monthly

(a)	Call Waiting	\$X.XX
(b)	Call Forwarding Variable	\$X.XX
(c)	Three-Way Calling	\$X.XX
(d)	Speed Calling (8-code)	\$X.XX
(e)	Speed Calling (30-code)	\$X.XX
(f)	Call Forwarding Busy Line	\$X.XX
(g)	Call Forwarding Don't Answer	\$X.XX
(h)	Call Forwarding Don't Answer - Ring Control	\$X.XX
(i)	Customer Control of Call forwarding Busy Line	\$X.XX
(j)	Customer Control of Call Forwarding Don't Answer	\$X.XX
(k)	Call Forwarding Busy Line Multipath or Customer Control of Call Forwarding Busy Line Multipath	\$X.XX
(l)	Call Forwarding Don't Answer Multipath or Customer Control of Call Forwarding Don't Answer Multipath	\$X.XX
(m)	Call Forwarding Variable Multipath or Remote Access- Call Forwarding Variable Multipath	\$X.XX
(n)	Remote Access - Call Forwarding Variable	\$X.XX

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

MISCELLANEOUS SERVICES10.6 Custom Calling Service (Cont'd.)10.6.1 Resold Rates (cont'd.)

Business/Business PBX Individual Features:		<u>Non-Recurring</u>	<u>Monthly</u>
(o)	Call Return (per line)		\$X.XX
	Call Return (per use)	\$X.XX	
	Call Return (denial of per use)	\$X.XX	
(p)	Repeat Dialing (per line)		\$X.XX
	Repeat Dialing (per use)	\$X.XX	
	Repeat Dialing (denial of per use)	\$X.XX	
(q)	Call Selector (per line)		
(r)	Preferred Call Forwarding (per line)		\$X.XX
(s)	Call Block (per line)		\$X.XX
(t)	Call Tracing (per line)		
	Per line		\$X.XX
	Per Successful Trace (non-subscription) N/A		
(u)	Caller ID (per line)		
	Caller ID - Calling Name Delivery		\$X.XX
	Caller ID - Calling Number Delivery		\$X.XX
	Caller ID - Calling Number & Name		\$X.XX
(v)	Calling Number Delivery Blocking - Permanent Per line ²		\$X.XX
(w)	Calling Number Delivery Blocking - Per Call (Per activation)		\$X.XX
(x)	Enhanced Caller ID (with ACR) Per Line		\$X.XX
(y)	Enhanced Caller ID (with Call Management) Per Line		\$X.XX
(z)	Enhanced Caller ID (with ACR & Call Management) Per Line		\$X.XX

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MISCELLANEOUS SERVICES10.7 Remote Call Forwarding Rates

The following charge is for the Remote Call Forwarding feature only and are in addition to applicable charges for service and equipment.

Remote Call Forwarding is per feature arranged and one access path for either interexchange, intraexchange, or local calling area per service request.

	Resold <u>Non-Recurring</u>	Resold <u>Monthly</u>
Each	RESERVED FOR FUTURE USE	
Additional Access Path (with initial installation)	<u>Monthly</u>	
Each	RESERVED FOR FUTURE USE	
	On-Net <u>Non-Recurring</u>	On-Net <u>Monthly</u>
Each	RESERVED FOR FUTURE USE	
Additional Access Path (with initial installation)	<u>Monthly</u>	
Each	RESERVED FOR FUTURE USE	

10.8 Flexible Call Forwarding

The following charge is for the Flexible Call Forwarding feature only and are in addition to applicable charges for service and equipment.

Flexible Call Forwarding is an optional network feature that provides customer control for call forwarding capabilities via dial-accessed voice prompt menus.

<u>Rates-Individual Features</u>	Resold <u>Monthly</u>	On-Net <u>Monthly</u>
Flexible Call Forwarding	RESERVED FOR FUTURE USE	
Flexible Call Forwarding with Audio Calling Name	RESERVED FOR FUTURE USE	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MAY 04 2001

DC01/ODENM/142724.1

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

MISCELLANEOUS SERVICES10.9 ClearTouch Service10.9.1 On-Net Rates**RESERVED FOR FUTURE USE**

Business/Business PBX

Individual Features:

Monthly

(a)	Call Waiting	\$X.XX
(b)	Call Forwarding Variable	\$X.XX
(c)	Three-Way Calling	\$X.XX
(d)	Speed Calling (8-code)	\$X.XX
(e)	Speed Calling (30-code)	\$X.XX
(f)	Call Forwarding Busy Line	\$X.XX
(g)	Call Forwarding Don't Answer	\$X.XX
(h)	Call Forwarding Don't Answer - Ring Control	\$X.XX
(i)	Customer Control of Call forwarding Busy Line	\$X.XX
(j)	Customer Control of Call Forwarding Don't Answer	\$X.XX
(k)	Call Forwarding Busy Line Multipath or Customer Control of Call Forwarding Busy Line Multipath	\$X.XX
(l)	Call Forwarding Don't Answer Multipath or Customer Control of Call Forwarding Don't Answer Multipath	\$X.XX
(m)	Call Forwarding Variable Multipath or Remote Access- Call Forwarding Variable Multipath	\$X.XX
(n)	Remote Access - Call Forwarding Variable	\$X.XX

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)BY: Stephan O. Bee
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

MISCELLANEOUS SERVICES10.9 ClearTouch Service (Cont'd.)10.9.1 On-Net Rates (Cont'd.)**RESERVED FOR FUTURE USE**

Business/Business PBX

Individual Features:

Non-Recurring Monthly

(o)	Call Return (per line)	\$X.XX
(p)	Repeat Dialing (per line)	\$X.XX
(q)	Call Selector (per line)	\$X.XX
(r)	Preferred Call Forwarding (per line)	\$X.XX
(s)	Call Block (per line)	\$X.XX
(t)	Call Tracing (per line)	\$X.XX
(u)	Anonymous Call Rejection	\$X.XX
(v)	Caller ID (available w/or w/o ACR)	\$X.XX
	Basic	\$X.XX
	Deluxe	\$X.XX
	Enhanced	\$X.XX
(w)	Call Return	
	(per use)	\$X.XX
	(denial of per use)	\$X.XX
(x)	Repeat Dialing	
	(per use)	\$X.XX
	(denial of per use)	\$X.XX

10.9.2 ValuePlus Packages

The following packages are available in choosing any features listed below in Section 10.9.1.

	<u>Monthly</u>
ValuePlus Gold	
(any 6 features)	\$X.XX
ValuePlus Platinum	
(all features included)	\$X.XX
Value Plus Silver	
(per feature)	\$X.XX

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Stephan D. Bue*
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

SPECIAL ARRANGEMENTS

11.1 Special Construction

11.1.1 Basis for Charges

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be based on the costs incurred by the Company and may include:

- (A) non-recurring type charges;
- (B) recurring type charges;
- (C) termination liabilities; or
- (D) combinations thereof.

11.1.2 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of the customer.

- (A) The termination liability period is the estimated service life of the facilities provided.
- (B) The amount of the maximum termination liability is equal to the estimated amounts for:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

SPECIAL ARRANGEMENTS

11.1 Special Construction (Cont'd)

11.1.2 Termination Liability (Cont'd)

(B) (Cont'd)

- (1) Cost installed of the facilities provided including estimated costs for rearrangements of existing facilities and/or construction of new facilities as appropriate, less net salvage. Cost installed includes the cost of:
 - (a) equipment and materials provided or used,
 - (b) engineering, labor and supervision,
 - (c) transportation, and
 - (d) rights-of-way;
- (2) license preparation, processing, and related fees;
- (3) tariff preparation, processing, and related fees;
- (4) cost of removal and restoration, where appropriate; and
- (5) any other identifiable costs related to the specially constructed or rearranged facilities.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

SPECIAL ARRANGEMENTS

11.1 Special Construction (Cont'd)

11.1.2 Termination Liability (Cont'd)

- (C) The applicable termination liability method for calculating the unpaid balance of a term obligation. The amount of such charge is obtained by multiplying the sum of the amounts determined as set forth in Section 11.1.2(B) preceding by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined in section 11.1.2(B) preceding shall be adjusted to reflect the redetermined estimate net salvage, including any reuse of the facilities provided. This product is adjusted to reflect applicable taxes.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

SPECIAL ARRANGEMENTS

11.2 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this tariff. Rates quoted in response to such competitive requests may be different than those specified for such services in this tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis. All ICB rates are subject to Commission approval.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1

SPECIAL ARRANGEMENTS

11.3 Temporary Promotional Programs

The Company may establish temporary promotional programs wherein it may waive or reduce nonrecurring or recurring charges, to introduce present or potential Customers to a service not previously received by the Customers. All promotions are subject to Commission approval.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By:

Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

SAMPLE COMPANY BILL

12.1 Sample Company Bill

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 04 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan Bee
SECRETARY OF THE COMMISSION

Issued: April 3, 2001

Effective: May 4, 2001

Issued By: Tricia Breckenridge
Executive Vice President of Business Development
KMC Telecom III, Inc.
1755 North Brown Road
Lawrenceville, GA 30043

DC01/ODENM/142724.1